

**RESOLUTION REVISING PROPERTY TAX****EXEMPTION**

2009 GENERAL SESSION

STATE OF UTAH

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**LONG TITLE****General Description:**

This joint resolution of the Legislature proposes to amend the Utah Constitution to expand a property tax exemption.

**Highlighted Provisions:**

This resolution proposes to amend the Utah Constitution to:

- ▶ add water treatment plants to the list of property exempt from property tax under a property tax exemption; and
- ▶ extend that property tax exemption to property used in the process of extracting and collecting water and delivering it to the property within the State of the final user of the water, including any storage and treatment of the water.

**Special Clauses:**

This resolution directs the lieutenant governor to submit this proposal to voters.

This resolution provides a contingent effective date of January 1, 2011 for this proposal.

**Utah Constitution Sections Affected:**

AMENDS:

**ARTICLE XIII, SECTION 3**

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*Be it resolved by the Legislature of the state of Utah, two-thirds of all members elected to each of the two houses voting in favor thereof:*

Section 1. It is proposed to amend Utah Constitution Article XIII, Section 3, to read:

**Article XIII, Section 3. [Property tax exemptions.]**

(1) The following are exempt from property tax:

- (a) property owned by the State;
- (b) property owned by a public library;
- (c) property owned by a school district;

(d) property owned by a political subdivision of the State, other than a school district, and located within the political subdivision;

(e) property owned by a political subdivision of the State, other than a school district, and located outside the political subdivision unless the Legislature by statute authorizes the property tax on that property;

(f) property owned by a nonprofit entity used exclusively for religious, charitable, or educational purposes;

(g) places of burial not held or used for private or corporate benefit;

(h) farm equipment and farm machinery as defined by statute; and

(i) water rights, reservoirs, pumping plants, treatment plants, ditches, canals, pipes, flumes, power plants, and transmission lines;

(i) used in the process of extracting or collecting water from its source and delivering it within the state to the property of the final user of the water, including within that process any storage and treatment of the water before delivery to the final user; or

(ii) to the extent owned and used by an individual or corporation to irrigate land that is:

(A) within the State; and

(B) owned by the individual or corporation, or by an individual member of the corporation.

(2) (a) The Legislature may by statute exempt the following from property tax:

(i) tangible personal property constituting inventory present in the State on January 1 and held for sale in the ordinary course of business;

(ii) tangible personal property present in the State on January 1 and held for sale or processing and shipped to a final destination outside the State within 12 months;

(iii) subject to Subsection (2)(b), property to the extent used to generate and deliver electrical power for pumping water to irrigate lands in the State;

(iv) up to 45% of the fair market value of residential property, as defined by statute;

(v) household furnishings, furniture, and equipment used exclusively by the owner of that property in maintaining the owner's home; and

(vi) tangible personal property that, if subject to property tax, would generate an inconsequential amount of revenue.

(b) The exemption under Subsection (2)(a)(iii) shall accrue to the benefit of the users

63 of pumped water as provided by statute.

64 (3) The following may be exempted from property tax as provided by statute:

65 (a) property owned by a disabled person who, during military training or a military  
66 conflict, was disabled in the line of duty in the military service of the United States or the State;  
67 and

68 (b) property owned by the unmarried surviving spouse or the minor orphan of a person  
69 who:

70 (i) is described in Subsection (3)(a); or

71 (ii) during military training or a military conflict, was killed in action or died in the line  
72 of duty in the military service of the United States or the State.

73 (4) The Legislature may by statute provide for the remission or abatement of the taxes  
74 of the poor.

75 Section 2. **Submittal to voters.**

76 The lieutenant governor is directed to submit this proposed amendment to the voters of  
77 the state at the next regular general election in the manner provided by law.

78 Section 3. **Effective date.**

79 If the amendment proposed by this joint resolution is approved by a majority of those  
80 voting on it at the next regular general election, the amendment shall take effect on January 1,  
81 2011.

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**Legislative Review Note**  
**as of 9-11-08 7:24 AM**

**Office of Legislative Research and General Counsel**